



WELCOME

Welcome to the first Western Australian edition of *Steel In Touch*, a quarterly newsletter designed to add another channel to our current communications and interactions with our customers.

BlueScope Steel has recently undertaken a number of marketing activities involving our customers, including the Xlerate to XLERPLATE® campaign, the End User Steel Survey and our Customer Satisfaction Survey.

The XLERPLATE® campaign provided you with some great promotional items, as well as the opportunity to win some amazing prizes, so I hope you enjoyed them.

You'll find the encouraging results of our End User Survey covered in this newsletter. *Steel In Touch* will help us keep you informed of the results and outcomes of these and future activities. We'll also be announcing the move of our State operations very soon, and we'll publish pictures and contact details as soon as possible.

Elly Pilkadaris
State Sales Manager - Western Australia

SOLID GROWTH SET FOR WA

Western Australia is known as the mining State. Mining-related activity and investment form a significant part of the economy. However, this also makes the WA economy more exposed to developments in the global economy relative to other States.

The emergence of China and its growing demand for mineral products should ensure WA's healthy prospects continue throughout 2005/06.

Growth in WA Gross State Product (GSP) was a robust 7.7 per cent in 2003/04, supported by strong private consumption and business investment, especially in projects such as the Perth Metrorail and North-West Shelf.

Ongoing solid GSP growth of about 4 per cent resulted in 2004/05, driven by business investment in public and private projects. These projects include the expansion of the North-West Shelf project, the Dampier Port upgrade and the Alcoa Pinjarra alumina refinery expansion.

Given the strength in the WA economy, employment growth has been strong, and the unemployment rate remains around 4.8 per cent, below the national average.

The GSP growth outlook is expected to strengthen further in 2005/06 to around 5 per cent, underpinned by robust growth in business investment, solid growth in iron ore and other resource exports.



CAMPAIGN SECURES NATIONAL AWARDS

Peter Allen, of CBI Constructions WA, recently won a trip for two to see the world-famous Canadian Cirque Du Soleil in Sydney as part of our Xlerate to XLERPLATE® promotional campaign.

By any measure, participation in this campaign – which has secured two bronze awards in the 2005 Australian Promotion Marketing Association Awards (APMA) – was outstanding, with 44 per cent of all eligible people responding at some stage.

Following the campaign, we surveyed 408 people – including distributors and their customers – on their reactions to our recent XLERPLATE® promotional campaign, and came away with some impressive findings.

Since the campaign, 46 per cent of distributors surveyed say they now promote XLERPLATE® to their customers.

Overall, 71 per cent of distributors believe XLERPLATE® outperforms the competition, and 25 per cent say they now use the XLERPLATE® brand name when discussing or ordering steel plate.



Promotional items

The APMA bronze awards were for the best business-to-business campaign and best use of direct marketing.

Congratulations to all other winners listed below...

- Tony Wheeler, Smorgon Steel Qld
- Peter Allen, CBI Constructors WA
- Grant Hodshon, Smorgon Steel Qld (Townsville)
- Shane Sirett, Smorgon Steel Metals Distribution Qld
- Peter Warrall, Central Engineering Steel & Tube Qld (Currumbin)
- Robert Hayes, Smorgon Steel Metal Distribution SA

Final Draw Winners – a trip for two, valued at \$15,000, to any of the world's Club Med destinations!

- Paul Pederson, Smorgon Steel NSW
- Adam Johnstone, Bradken Qld
- Tony Wheeler, Smorgon Steel Qld



STARRING ROLE FOR XLERPLATE® STEEL

XLERPLATE® steel is starring in two BlueScope Steel television commercials currently airing across Australia.

One features scenes of major redevelopment work underway at the Melbourne Cricket Ground, while the second features the building and launching of the *Oceanic Princess* being built by NQEA, in Cairns.

This ship is the largest passenger ship built in Australia since the *Empress of Tasmania* in the 1960s.

Built in Cairns by leading Queensland ship-building and engineering company NQEA for Cairns-based operator, Coral Princess Cruises, the \$20 million luxury cruise ship *Oceanic Princess* accommodates 80 passengers and a crew of 20.

With a full displacement of 1300 tonnes, we supplied 500 tonnes of XLERPLATE® steel in

various grades and thickness for her construction.

NQEA's Mark Fry says his company is pleased to be associated with BlueScope Steel.

"We've been buying steel from BlueScope Steel for more than 50 years, and we'll continue doing so," he says.

"Lead times are vital in operations like ours, and we always receive accurate information from BlueScope Steel as to when we can expect product deliveries."

Meanwhile, the contract to provide structural steelwork for the huge northern stand at the MCG was won by family-owned fabricator Alfasi Steel Constructions.

"All up, BlueScope Steel is providing 4500 tonnes of steel, including XLERPLATE® steel in Grades 250 and 350," Alfasi director, Gill D'Vier, says.



ACTION ON THE SUPPLY FRONT



WHAT WE'RE DOING

Materials to be used in building 12 new BlueScope Steel rail wagons have been delivered to EDI Rail's Port Augusta plant.

Work on the purpose-built tilt wagons is expected to begin within weeks, with final delivery expected before the end of the year.

These new wagons have been designed to carry wide XLERPLATE® steel plate, and will complement the fleet of 38 similar wagons we already use for this purpose. Another 20 slab delivery wagons, converted to carry XLERPLATE® steel, have entered service.

As part of this rail fleet increase, Stan Clark, our National Sales Manager, Distribution and Manufacturing, says we're studying the XLERPLATE® supply chain carefully.

As soon as we have an image of one of these new tilt wagons, we'll publish it in *Steel In Touch*.

WHAT'S HAPPENING?

The XLERPLATE® demand situation remains strong. We can expect this to continue for the next few years as major resource and infrastructure projects keep absorbing as much steel as they need. We can expect this global demand for minerals to continue growing.

China's huge demand for steel in the lead-up to the Beijing Olympics and beyond has also been driving up raw materials, alloys and freight prices.

However, in the face of this demand we are facing stiff competition, and we remain committed to servicing the Australian market. As a priority, we've increased production of XLERPLATE® steel 58 per cent since January 2001 and we've lifted output 9 per cent since January 2004.

When the first of our new tilt wagons arrive later this quarter, this will increase our capability to deliver more XLERPLATE® to the market.

So in future, our customers should have no concerns about BlueScope Steel delivering all the XLERPLATE® steel they need.

STEEL END-USE SEGMENTATION RESEARCH

We can all expect another solid year of domestic steel consumption.

Results published in our *Steel End Use Segmentation Research 2004* report show that those plate-using segments expecting to use

more steel in the year ahead include mining, manufacturing, engineering construction, vehicles and transport, and agriculture.

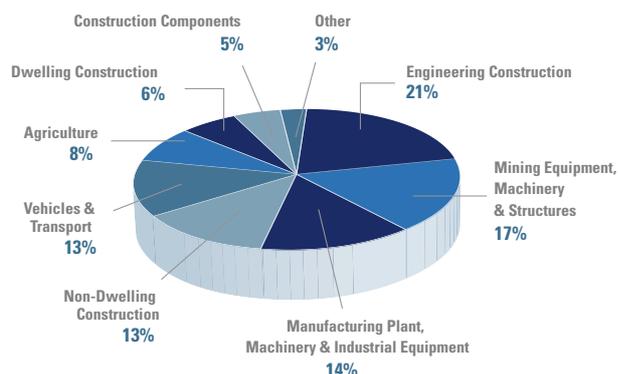
These segments cite more work, business growth, higher demand, growth in their overall segment and individual company expansion for their increased consumption.

Some also point to stronger exports.

If you'd like a copy of this report, contact BlueScope Steel Direct: 1800 800 789.

Or call your State team (see details on back page).

RESEARCH RESULTS: NATIONAL STEEL-CONSUMING SEGMENTS



Percentage share of market (plate, HRC, welded beams & columns, pipe & tube)

SAFETY MESSAGE: DON'T PHONE AND DRIVE

A recent study has found that talking on a mobile phone while driving is more dangerous than being just over the legal alcohol limit!

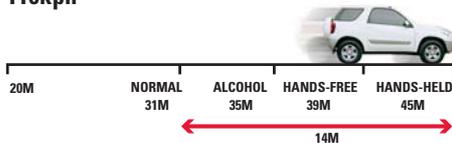
And statistics show that using mobile phones while driving is the root cause of many Australian road accidents, as it is overseas.

The study found reaction times were, on average, 30 per cent slower when talking on a hand-held mobile phone, compared with being just over the legal limit, and almost 50 per cent slower than under normal driving conditions.

At 110kph, a half-second difference equates to travelling an extra 14m before reacting to a hazard.

So it's not surprising that an increasing number of companies, including BlueScope Steel, are reviewing their policies concerning employees using mobiles while driving.

Distance travelled before response at 110kph



Source: UK Transport Research Laboratory

A SHIRT FOR A STORY

BlueScope Steel is always looking to feature stories on fabricators and manufacturers doing interesting work with XLERPLATE® and XLERCOIL®. These stories are featured in *Spotlight On Steel*, an email newsletter that is sent to over 8000 people as well as to national industry publications such as *Mining Monthly*.

If you know of one of your customers with an interesting

end use application or who would appreciate the exposure, please send an email to Elly.Pilkadaris@bluescopesteel.com and we will send you this XLERPLATE® polo shirt as a thank you.



PLASMA CUTTER TO BOOST EFFICIENCY



A new plasma cutter has undergone final commissioning trials at Port Kembla, and will soon provide an extra dimension of efficiency at the Plate Mill.

The Farley plasma cutter will be used in conjunction with our current oxy-acetylene gas torch, rotary shear line and guillotine shear line, which is expected to help increase

throughput at the mill by increasing process capacity as well as increasing overall yield as a result of fewer plate diverts.

"The new equipment will also add extra processing flexibility and efficiency as we can now switch between several methods of cutting XLERPLATE® steel," says Scott Dunstan, Customer Service Manager - Plate Products.

STEEL GIANT FOR IRON MINER

Steel-based machines don't come much bigger than those manufactured by Western Australian steel fabrication and construction company, Pacific Industrial Co (PIC).

The company recently manufactured this enormous, 900-tonne ship ore loader – bound for Dampier as part of Hamersley Iron's \$685 million port expansion plans – for global mining equipment company Voest-Alpine.

The size of the loader matches its loading rate; more than 8000 tonnes of iron ore can be poured into a ship's hold every hour.

The Dampier expansion will increase capacity from 74 million tonnes to 116 million tonnes a year.

The first stage of the project, started in January 2004, includes relocation and modifications to stockpiles, extensions to the existing wharf, creation of a new sea wall, and installation of the loader.

A family-owned company, PIC specialises in all aspects of steel fabrications and construction, including design, engineering, procurement, installation, commissioning and related electrical, instrumentation and civil works.

The company's state-of-the-art facilities and proven expertise made them the logical choice to manufacture the new ship loader.



"We put together a detailed bid for the project, and this, combined with PIC's previous experience with this class of work, guaranteed our success," George Petley, PIC's Business Development Manager, says.

"This type of machine is as complex as it gets. As well as being huge and heavy, the fabrication is incredibly technical. There are not many companies that could have taken this task on as successfully."

For the project, PIC used 800 tonnes of 350 Grade XLERPLATE® steel to make individual steel components, such as the booms, control car, tripper car, slew deck, bogies, ladders and platforms, pulleys, hydraulic components, and mast, which were all fabricated and painted in Kwinana, WA.

The XLERPLATE® Team

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Xlerplate®



BLUESCOPE STEEL

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IN THE HOT SEAT - ELLY PILKADARIS



Sales Manager Elly Pilkadaris has been with BlueScope Steel for 17 years. She is responsible for managing relationships and activities with customers in Western Australia.

We asked Elly some interesting questions to fill in a little more background information. Here's what she had to say.

Name: Elly Pilkadaris

Job Title: State Sales Manager

Number of Years with BlueScope Steel: 17

No. of years in the Steel Industry: 17

Description of current role:

Primary focus is on management through effective and efficient sales and service. Role also entails managing strategies and industry opportunities for existing and potential customers.

Previous position: Account Manager

Previous position duties:

Managing relationships, activities and value proposition with our customers.

Man I most admire: Colin Powell

E-mails received on average per day:

More than 40

Best invention of the last century: Computers

Worst television program: Any Australian Soap

Time I spend in my car each day:

An average of 3 hrs

Hardest habit to break: My morning cup of coffee

Favourite drink: Coffee

Best car on the road/favourite car of all times:

Aston Martin

Favourite outdoor recreational activity: Swimming

What kick starts my day: Yoga session

If I had \$1m to blow it would be on...

A villa on a prominent location on a Greek Island!

If there was one thing I could do all over again...

I'd go back to high school

Favourite holiday destination ever:

Toss up between New York & Greece

ANYTHING BUT STEEL

Q1: What is the collective name for a group of tigers?

Q2: Which city is further north - Perth, Port Augusta or Dubbo?

Q3: What was the original colour of Coca-Cola?

Q4: Mel Blanc (voice of Bugs Bunny) was allergic to carrots. True or False?

Q5: What is the cost of raising a medium-size dog to the age of eleven?

Q6: Intelligent people have more zinc and copper in their hair. True or False?

Q7: What country was the Titanic's last port of call?

THIS BAG COULD BE YOURS

As this is the first issue of *Steel In Touch* and because we want the publication to be useful and relevant, we welcome feedback. In fact we'll send you this BlueScope Steel sports bag just for giving your opinion of the first edition and letting us know what you'd like to see in future editions.

Simply send an email to Elly Pilkadaris (contact details above left) by August 31 and this bag will be yours.



Closing date 31st August, 2005.

Your requests:

How can we improve our service to you and better meet your ongoing requirements? Let us know.

Did you know we can offer the following services:

- Training
- Joint Customer Visits
- Mill Tours
- Shared Safety Learnings and Practices
- Technical Assistance
- Promotional Assistance
- Electronic Transactional Activities

A1: An ambush of tigers A2: Dubbo A3: Green A4: True A5: \$6,400 A6: True A7: Ireland